

## *Social Security in Review*

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### *SSA's New Payment-Cycling Initiative*

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To continue to provide quality public service for a rapidly growing beneficiary population, the Social Security Administration instituted its "payment-cycling" initiative, effective May 1, 1997. The new plan affects the payment date of benefits for those beneficiaries applying on or after that date. Scheduled dates for current Social Security beneficiaries and SSI recipients remain on the traditional 3rd and 1st day of the month, respectively.

New beneficiaries receive payments either on the 2nd, 3rd, or 4th Wednesday of each month, depending on their date of birth (or the workers' date of birth in cases of dependents' benefits). For those born on the 1st through the 10th, benefit payments are made on the 2nd Wednesday; for those born on the 11th through the 20th, on the 3rd Wednesday; and for those born after the 20th day of the month, payments are made on the 4th Wednesday.

As the large baby-boom generation begins to retire at the beginning of the next century, the beneficiary population will grow from today's figure of nearly 44 million to 76 million by the year 2025. With this expansion in the benefit population, it is critical that a change in payment pattern be implemented in order to maintain responsible, high-quality service. The payment-cycling initiative helps balance the distribution of Social Security benefits, as well as reduce the surge of calls and visits experienced in field offices during the first week of the month. Also, the business communities, such as banks and other financial institutions, no longer has to make special arrangements to handle the large number of Social Security payments that are paid on the same date.